

GOVERNOR'S TRANSACTION PRIVILEGE TAX SIMPLIFICATION TASK FORCE

September 25, 2012

State and Local Standardization Working Group

- Met September 4
- Presentations by:
 - Keely Hitt from Circle K
 - Ernst & Young: Candice Bartle/Gabe Soto
- Discussed:
 - Most Difficult Differences State/MCTC
 - Reasons for Non-Program Cities Independence

Question:

What Makes the Arizona Sales Tax System One of the Most Complicated in the Country?

Answer:

- Multiple Licensing Contacts
- Multiple Returns
- Multiple Audits
- Multiple State and Local Tax Bases

What Our Goal Should Be:

- Single Licensing Contact
- Single Return
- Single Audit
- Single Tax Base (or minimal local choice variations)

How We Got Here:

- Mostly History
- Progress with the Model City Tax Code and other efforts at uniformity
- Uniformity undermined by regular amendments to State statutes that are not mirrored in the MCTC

Factors Leading Non-Program Cities to be Non-Program Cities:

- Resources at ADOR
- Desire for audits that focus on city concerns and geographic area
- Information
- Cash Flow

Path to Solutions:

- Yes
- Recognize primary goal of simplifying system for taxpayers
- Consider revenue effects of any change on city budgets
- Consider city concerns with reliance on ADOR and State

Future Meetings

- Continue focus on which differences between State law and the Model City Tax Code are most troublesome and susceptible to change and standardizing the Model City Tax Code itself (encouraging on-going efforts by cities and towns)
- Begin to formulate solutions that can be incorporated into a recommendation

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Next Meeting

Tuesday, October 2 at 1:30 pm